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C O N F I D E N T I A L SECTION 01 OF 03 PORT AU PRINCE 001240

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TAGS: [PGOV](#) [PREL](#) [SOCI](#) [ASEC](#) [KDEM](#) [HA](#)  
SUBJECT: HAITI NERVOUS ON THE EVE OF BACK TO SCHOOL

REF: A. PORT AU PRINCE 1235  
[1](#)B. PORT AU PRINCE 1217  
[1](#)C. PORT AU PRINCE 1229  
[1](#)D. PORT AU PRINCE 1215

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Classified By: Ambassador Janet A. Sanderson for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: As the new government of Prime Minister Michele Pierre-Louis continues to seek confirmation in a precarious political climate, Haiti is facing economic and security challenges that could flare up in the near term, bog down the new government, and potentially caused renewed unrest in the streets. President Preval and the Haitian Senate have yet to reach consensus on the new Cabinet of Ministers, delaying the Senate's constitutionally-mandated confirmation of Pierre-Louis' government. The GOH is unprepared for the opening of schools for the 2008-09 academic year, and has already delayed the opening by one week. Facing rapid inflation and high commodity prices, parents of school-aged children are struggling to pay school fees and purchase school supplies. Food inflation, aggravated by extensive recent tropical storm damage to cropland, continues with little effective government response. Many Haitians are concerned that this combination of issues will spark renewed street protests. For Haiti to address adequately its security and economic problems, the political sector must move beyond the current stalemate so that the new government can begin immediately to address these challenges. It must also put aside personal and political agendas, a hard thing for this political culture to achieve. End Summary.

Tensions High Among Political Sector  
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[1](#)2. (C) Nearly five months after the Senate's April 12 ouster of Prime Minister Jacques-Edouard Alexis, the political standoff between President Preval and political parties -- including those members of Parliament who double as party leaders -- continues to threaten incoming Prime Minister Michele Pierre-Louis' chances of getting her government confirmed by Parliament. Her new cabinet failed to satisfy all of the parties' demands for posts. Hers and the President's appointment of the cabinet and a widespread suspicion they are prepared to install the new ministers

before bringing her general policies to Parliament for a vote (refs A and B), caused support to waiver in both chambers. Although the Chamber of Deputies ultimately approved her government's general policies on August 29, she has yet to secure the necessary support of 16 Senators, although there are signs an agreement is in the works.

13. (C) Preval has shown signs he can compromise when needed.

For example, controversial Minister of Public Works Frantz Verella is not in the new cabinet, which Preval had originally insisted upon. However, parliamentarians and party leaders have used strong words to describe his latest attempts to install a government, including accusing Preval and Pierre-Louis of ''plotting,'' attempting a coup d'etat, and thinking they can govern without the approval of the Parliament, particularly the Senate.

GOH Unprepared for Back to School  
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14. (C) Against this unsettled political backdrop, Haiti faces a pressing social issue: the increasing inability of many parents to pay for constantly rising school tuition. The great majority of Haitian children, as many as 90 percent, attend private schools that charge varying levels of tuition. With school fees continuing to rise, coming on top of continuing consumer inflation and mass unemployment, parents' ability to pay for school fees, uniforms, textbooks and other school supplies is eroding. Layoffs at several public institutions such as the telephone company and the port, coupled with the increased cost of fuel, have left many parents with less money in their pockets. The Ministry of Education is underprepared for the reopening of schools this fall. Outgoing Minister of Education Gabriel Bien-Aime on

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August 25 announced that schools would open one week late, on September 8. Ministry officials told Embassy privately that the September 8 date was optimistic, and that it may be several more weeks before they were prepared to open schools.

Government subsidy programs have been slow to start, although the director of the largest publishing house claims his company's subsidized textbooks have been ready since August 18. PM Pierre-Louis and President Preval on August 25 gathered Ministry officials, textbook suppliers and international donors in a move to address the situation. (Note: USAID Director reported that the majority of the meeting consisted of Preval browbeating the booksellers for being unprepared for the start of school. End note.) One student group, the ''Great Youth Movement,'' has already announced protests for September 8 in solidarity with parents who cannot afford to send their children to school.

Cost of Living Still Rising  
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15. (U) Education is not the only item of mass consumption subject to high inflation. Sharp increases in food, fuel and transportation costs have spurred consumer inflation in recent months, as Haiti depends heavily on food and fuel imports. The annualized inflation rate in July reached 18.3 percent, the highest level since February 2005. Destruction of crops, livestock and transportation systems around the country during the recent onset of the annual hurricane season (ref C) has aggravated the problem, particularly for food prices. Haitian economist Kesner Pharel argued September 2 that the impact of recent hurricane damage will exacerbate inflation, and predicted that September inflation will climb to as high as 20 percent. Investors are still reluctant to enter the Haitian scene, given the lack of a government.

Threats of More Protests  
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16. (C) Inflation in school fees, food, and other commodities

has sparked rumors of protests mirroring those in early April. The combination of economic and political factors that led to protests in April remains in place. Private sector representatives, including former AmCham President Bernard Fils-Aime, as well as politicians, civil society members and average Haitian citizens have expressed concern to Emboffs that broad social discontent created by ''back to school'' hardships faced by parents could trigger renewed street demonstrations.

¶7. (C) Small demonstrations that flared in Port-au-Prince and Les Cayes August 25 and 26 failed to gain much traction (ref C), in part because MINUSTAH and the Haitian National Police (HNP) were prepared, and in part because of the onset of heavy rain from Hurricane Gustav. Director General of the HNP Mario Andresol told RSO August 25 that he believes a number of gangs and drug kingpins may be attempting to exploit discontent surrounding ''back to school'' to instigate demonstrations and unrest for personal gain. Andresol assessed that in the southern city of Les Cayes, former, current, and prospective Senators are trying to demonstrate their popularity and political might by starting and stopping demonstrations. Andresol noted, however, that in Port-au-Prince, the non-participation of some the key instigators of the April protests led him to predict that any demonstrations surrounding the opening of the school year would not reach the scale of those in April.

Comment: Time to Mend Fences and Move Forward  
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¶8. (C) Pierre-Louis aptly named several of these priorities in her general policy statement presented to the Chamber of Deputies on August 29. The not-yet-installed new government has begun to take the initiative to address one of its first priorities -- preparing for the opening of schools -- but must move quickly to address the others. The government will have to show the public that it is taking concrete steps to address the economic hardship experienced by the vast majority of Haiti's population, including reining in

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inflation and increasing Haitians' purchasing power by creating jobs. The extended political impasse has revealed the distrust that exists between President Preval and Parliament. Pierre-Louis will have to work to ease relations between the executive and legislative branches, as well as with political parties, if Haiti is to continue to consolidate its fragile democracy and effectively address economic and social problems. Given the difficulty of operating with just 18 of 30 senators, scheduling the long-delayed Senate elections is likely to be a high-priority item for the new government.

SANDERSON